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23 October 1951

MEMORANDUM FOR: Assistant Director (Personnel)

**SUBJECT: Employment of retired
Foreign Service officers**

1. It is our understanding that an increasing number of Foreign Service officers retired for one reason or another are being considered for employment by CIA in one capacity or another. The authority to employ such persons is somewhat in doubt, but so far as we can ascertain has not been fully considered by the Comptroller General's office. If, therefore, we plan to use the services of people in this category, we feel it would be well to have an advance ruling on the authority to appoint and the question of receipt or suspension of the Foreign Service annuity while employed.

3. Furthermore, the Court of Claims has held in one case that a retired Foreign Service Officer may continue to receive his annuity while employed in a civilian capacity. The Comptroller has indicated that he does not believe this decision is controlling on subsequent cases. He will probably rule in the negative on question 5 in our attached submission. It is still possible, however, that under certain circumstances a retired Foreign Service officer employed by CIA could go to the Court of Claims and obtain judgment authorizing retention of the annuity while so employed. This would lead not only to litigation which we

On file DOS and GAO release
instructions apply.

OGC Has Reviewed

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would prefer our employees not engage in, but if successful might induce other Foreign Service officers to seek retirement and employment with CIA.

4. In view of the above considerations, we would appreciate your comments before referring the attached submission to the DD/A and the Director.

LAWRENCE R. HOUSTON
- General Counsel

Attach: Dtd ltr to Comp Gen
for DCI's signature
(prepared by OGC)
Orig & 1 cc

OGC/LEH:m1s

Distribution:
Orig - Addressee
2 - OGC

*approval of ltr to Comp Gen.
given via Telephone by
Mr. Bugjs to Mr. Houston
on 25 Oct 1951*

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